



## EQUALITY IMPACT ASSESSMENT - RESULTS

<b>Title of Policy</b>	Changes to the student loan repayment threshold
<b>Summary of aims and desired outcomes of Policy</b>	<p>Relevant National Outcomes:</p> <p>"We are better educated, more skilled and more successful, renowned for our research and innovation."</p> <p>"Our young people are successful learners, confident individuals, effective contributors and responsible citizens."</p> <p>At present, the repayment threshold is £18,330. The desired outcome is to increase the repayment threshold to £25,000 for all borrowers (new and existing) to improve the overall terms and conditions of repayment.</p>
<b>Directorate: Division: team</b>	<p>Advanced Learning and Science Directorate.</p> <p>Higher Education and Science: Student Financial Support</p>

### Executive summary

A review of the increase to the Scottish Student Loan repayment threshold from £19,390 to £25,000 was carried out, of which this EQIA forms a part.

The EQIA identified that in general, increasing the repayment threshold would have a positive impact for all students in repayment. It ensures that students are supported not just during their studies but after they graduate, by increasing the level of income the borrower is required to obtain before repayments begin, creating a more stable position for borrowers.

## **Background**

The 2017 Scottish Programme for Government (PfG) made a commitment to raise the repayment threshold for student loans to £22,000 by the end of the Parliamentary term. The Student Support Review also recommended that the repayment threshold should be increased to £22,000 and that the Scottish Government should consider increasing this to £25,000 in-line with the threshold in England and Wales.

The Minister for Further Education, Higher Education and Science announced on 12 June 2018, as part of the Student Support Review changes, that the repayment threshold will be increasing to £25,000 by April 2021.

These changes contribute to the following national outcomes:

- We are better educated, more skilled and more successful, renowned for our research and innovation.
- Our young people are successful learners, confident individuals, effective contributors and responsible citizens.

## **The Scope of the EQIA**

As the change to the student loan repayment threshold is intended as a positive change to benefit all Scottish loan borrowers, it is considered that a concise and focused Equality Impact Assessment is proportionate in these circumstances.

At present, referring to statistics provided by the Scottish Government Higher Education Analytical Services Division, there are currently 158,261 students currently in repayment who will be affected by this change in policy.

The EQIA considered key data regarding the age and gender of Scottish domiciled students currently in repayment in the Academic Year 2020/21 provided by the Student Loans Company (SLC).

However, the increase to the repayment threshold will apply to all current and new borrowers regardless of age and gender and therefore is seen as a positive change for all.

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## **Key Findings**

The EQIA identified that there are gaps in the information available relating to the characteristics of the students repaying Scottish loans and therefore the impact the increase to the repayment threshold will have on the protected characteristics.

However, increasing the repayment threshold in general is seen as a positive change for all equality groups, as it increases the level of income a student is required to obtain before repayments will begin, which puts the student in more favourable and stable conditions.

## **Recommendations and Conclusion**

In conclusion, positive impacts as a result of increasing the repayment threshold have been identified for students in repayment in all equality groups.

Any change to the policy will be subject to ongoing monitoring by the Higher Education and Science Division. The Student Loans Company will continue to publish annual statistics in relation to student loan repayments including the total amount of borrowers and the total amount owed.